

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell, Joseph T. Kelliher,
and Suede G. Kelly.

Ohio Edison Company, Toledo Edison
Company, Cleveland Electric Illuminating
Company, and Pennsylvania Power Company

Docket No. PA04-14-000

ORDER ON RELIABILITY STUDY

(Issued September 17, 2004)

1. In a December 24, 2003 letter order (December 24 Order), the Commission directed the public utility affiliates of FirstEnergy Corporation, Ohio Edison Company, Toledo Edison Company, Cleveland Electric Illuminating Company, and Pennsylvania Power Company (jointly, FirstEnergy), to retain an independent expert to prepare a study of the adequacy of transmission and generation facilities in Northeastern Ohio.¹ On April 22, 2004, FirstEnergy submitted the required study (Reliability Study).

2. As discussed below, while the study is generally responsive to the parameters set forth in the December 24 Order, additional information must be submitted by FirstEnergy to be fully responsive. The Commission directs FirstEnergy to submit to the Commission additional information as delineated in this order. This information will allow the Commission to better understand the state of reliability of the transmission grid in Northeastern Ohio. In addition, FirstEnergy is directed to amend its April 1, 2004 Form 715 filing to reflect the results of the Reliability Study.

3. FirstEnergy has stated that its Reliability Study qualifies for protection as critical energy infrastructure information (CEII) as defined in 18 C.F.R. § 388.113(c)(1) (2004). Much of the information in the Reliability Study is similar to that found in many Form No. 715 filings, which the Commission has treated as CEII, but not as trade secret information. In addition, FirstEnergy has stated that the Reliability Study contains non-public trade secret information that is protected under the Freedom of Information Act (FOIA).² However, FirstEnergy has not provided any specific details to support this

¹ FirstEnergy Corporation, 105 FERC ¶ 61,372 (2003).

² 5 U.S.C. § 552 (2000).

claim. In accordance with 18 C.F.R. § 388.112(d) (2004), the Commission invites FirstEnergy to identify the specific sections of the Reliability Study that FirstEnergy contends contain trade secret information and explain how the contents of those specific sections qualify for exemption from disclosure under FOIA. FirstEnergy is invited to provide a response within 5 days from the date of this order. Should the Commission deny FirstEnergy's request for trade secret treatment, in whole or in part, it will first notify FirstEnergy in accordance with 18 C.F.R. § 388.112(e) (2004).

Background

4. On August 14, 2003, significant portions of the Midwest and Northeast United States, and Ontario, Canada, experienced an electric power blackout that, in some areas of the United States, lasted for up to two days, and that in some areas of Canada lasted longer. In the wake of that blackout, a joint United States-Canada Task Force (Task Force) undertook a study of the causes of that blackout and possible solutions to avoid future such blackouts. In November 2003, that Task Force issued an interim report,³ describing its investigation and findings and identifying the causes of the blackout.

5. The Interim Blackout Report identified three basic categories of precipitating events or causes of the August 14th blackout: (1) what the Task Force described as “[i]nadequate situational awareness” on the part of FirstEnergy; (2) FirstEnergy's failure “to manage adequately tree growth in its transmission right-of-way;” and (3) what the Task Force described as the “[f]ailure of the interconnected grid's reliability organizations to provide effective diagnostic support.”⁴

6. In the December 24 Order, the Commission noted, among other things, that FirstEnergy operates a control area in Northeastern Ohio, and two of the three categories of precipitating events or causes of the August 14 blackout were attributed to the actions of FirstEnergy. It further noted that FirstEnergy itself expressed concerns regarding the

³ United States-Canada Power System Outage Task Force, Interim Report: Causes of the August 14th Blackout in the United States and Canada (Nov. 2003) (Interim Blackout Report). The findings of the Interim Blackout Report were incorporated into a final report, issued in April 2004. United States-Canada Power System Outage Task Force, Final Report on the August 14, 2003 Blackout in the United States and Canada: Causes and Recommendations (Final Blackout Report).

⁴ Interim Blackout Report at 23; *see also id.* at 21-65. The Final Blackout Report essentially agreed with these findings. Final Blackout Report at 17-21.

availability of reactive power.⁵ Thus, the Commission directed FirstEnergy to retain an independent expert to prepare a study of the adequacy of transmission and generation facilities in Northeastern Ohio, relative to loads, and to submit the results of the study to the Commission.

7. On April 22, 2004, FirstEnergy submitted the Reliability Study in response to the Commission's directive. FirstEnergy stated that it is incorporating the results and analyses in the Reliability Study into its plan for implementing at the operational level the recommendations of the North American Electric Reliability Council (NERC) and of the Final Blackout Report, which are recommended to be completed before June 30, 2004.

Discussion

8. The Commission finds that the Reliability Study is generally responsive to the Commission-ordered scope of study (Attachment A to the December 24 Order). Moreover, FirstEnergy states that the results and analyses in the Reliability Study are being incorporated into FirstEnergy's plan for implementing at the operational level the recommendations of NERC and of the Final Blackout Report. Implementation of the Reliability Study's findings and recommendations should improve the reliability of the grid in Northeastern Ohio and surrounding areas.

9. However, the Reliability Study does not fully address certain aspects of the study scope. Therefore, pursuant to section 304 of the Federal Power Act,⁶ the Commission directs FirstEnergy to file the following additional information with the Commission:

- a) In the study scope, FirstEnergy was directed to identify "the need and timing of any special protection system(s) (including the use of undervoltage load shedding) required to ensure system security under credible evolving n-1 states."⁷ The Reliability Study suggests that FirstEnergy should consider developing an undervoltage load shedding scheme (UVLS) (Table 9-1) but does not identify the need and timing of the required UVLS, although according to the transmittal letter FirstEnergy is proceeding with the planning necessary to implement UVLS. FirstEnergy is directed to provide a status report on planning and implementation of its UVLS by April 1, 2005.

⁵ December 24 Order, 105 FERC ¶ 61,372 at P 4-6.

⁶ 16 U.S.C. § 825c(a) (2000). *See also* 16 U.S.C. §§ 824l(a), 825h (2000).

⁷ December 24 Order, 105 FERC ¶ 61,372 at 62,657.

- b) FirstEnergy states that it will be reviewing the appropriate scope and implementation timing for the remaining reactive additions identified in the “2009 studies.”⁸ FirstEnergy is directed to file, by April 1, 2005, an update on the scope and implementation status of reactive additions.
- c) FirstEnergy is directed to update its Form 715 filing to reflect the changes to its planning and operating criteria based on the findings of the Reliability Study and to append to the filing the Reliability Study and any other near-term and long-term transmission assessment studies conducted to date in 2004. The amended Form 715 should be filed within 15 days from the date of this order.⁹

10. FirstEnergy asserts that the Reliability Study contains sensitive trade secret information and seeks non-public treatment of the study. The Commission invites FirstEnergy to identify the specific sections of the study that FirstEnergy contends contain trade secret information and explain how the contents of the specific sections qualify for exemption from disclosure under FOIA. FirstEnergy is invited to provide a response within 5 days from the date of this order.

The Commission orders:

FirstEnergy is hereby directed to submit further information and a revised Form 715, as discussed in the body of this order.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.

⁸ FirstEnergy transmittal letter at 1.

⁹ See 16 U.S.C. §§ 824l(a), 825h.